

#### INSTRUCTIONS FOR OIL AND GAS DRILLERS

All oil and gas drilling, re-drilling, or deepening operations in the state require a drilling permit. A blanket permit is also required for seismic shot holes. If drilling is to be on state-owned land, the agency that owns or manages the land will be the lead agency and will start the State Environmental Policy Act (SEPA) process. The drilling permit will be obtained from the office of the State Oil and Gas Supervisor, Department of Natural Resources, Division of Geology and Earth Resources, PO Box 47007, Olympia, Washington 98504-7007.

#### PERMIT APPLICATION

The applicant for a drilling, re-drilling, or deepening permit shall:

- 1. Obtain from the Oil and Gas Supervisor, a copy of the Oil and Gas Conservation Act (Chapter 78.52 RCW), a copy of the Rules and Regulations (Chapter 344-12 WAC), copies of Form 1 (Notice of Intention to Drill, Redrill, or Deepen), the approved performance bond, and the SEPA environmental checklist.
- 2. The completed Form 1, environmental checklist, performance bond and fee (cash, or check drawn upon or issued by a Washington State qualified public depository) shall be submitted to the Oil and Gas Supervisor.

| To drill, redrill, or deepen                          | to 3500 ft      | \$<br>250.00   |
|---|-----------------|----------------|
| •   | 3501-7000 ft    | \$<br>500.00   |
|   | 7001-12,000 ft. | \$<br>750.00   |
|   | 12,001 ft.      | \$<br>1,000.00 |
| Shallow (less than 2000 ft. geologic information only |                 | \$<br>100.00   |
| Blanket permit for seismic shot holes                 |                 | \$<br>100.00   |

b. Bond:

| Each well                      | \$ 50,000.00 |
|--------------------------------|--------------|
| Blanket bond (2 or more wells) | \$250,000.00 |

**Note:** In lieu of a bond, the applicant may submit a cash deposit, assignment of a savings account, or a certificate of deposit in a Washington bank.

Shallow (less than 2000 ft.) geologic information only \$20,000.00

c. Required Information:

The applicant shall provide with the application the following information (see WAC 344-12-050): Drill site layout, blowout prevention equipment details, mud program, casing and cementing program and mud pit details. A map by a licensed surveyor of the well location. Location and source of water supply. Topographic features of well site area including drainage patterns, and associated surface waters and wetlands. Narrative statement describing proposed measures to be utilized for protection of the environment, including, but not limited to: fires, soil erosion, pollution of surface and ground waters, damage to fish and wildlife or other natural resources, air and noise pollution, hazards to public health and safety, site restoration, and methods and site for disposal of waste materials.

#### PERMIT ISSUANCE

- 1. Upon receipt of the above material the Oil and Gas Supervisor will notify other agencies with jurisdiction and cause an inspection to be made of the proposed site.
  - **Note:** The applicant or designated representative should plan to be present during the inspection or provide adequate instructions as to the location of the proposed site.
- 2. The Oil and Gas Supervisor, upon completion of the application and site evaluation, will make a determination of significance or non- significance (SEPA process) for those applications where the Department of Natural Resources is the lead agency. For sites that are on state owned land or where local government has jurisdiction,

### INSTRUCTIONS FOR OIL AND GAS DRILLERS (Cont'd)

the lead agency for the SEPA process will be other than the Oil and Gas Supervisor. A determination of nonsignificance will be posted for 15 days. A drilling permit will be issued at the conclusion of the posting period if no significant adverse impacts to the environment are noted during the posting period. If a determination of nonsignificance cannot be made, the applicant will be so advised. The applicant may be required to submit additional information or be notified that an Environmental Impact Statement is required.

#### PERMIT REQUIREMENTS

- 1. The driller shall give adequate notice to the Supervisor to permit witnessing of all tests including drill stern, water shutoff and production test, running of casing, plugging operations, and final site reclamation.
- 2. A record and log of the well, on Form No. 2 (WELL RECORD OR HISTORY), shall be presented to the Supervisor within 30 days of the completion or abandonment of the well, (See WAC 344-12-670) A detailed description of lithology shall be furnished within 30 days after completion or abandonment of any exploratory or wildcat well.
- 3. Well records and logs of all kinds not included in b. above shall be furnished to the Supervisor within 6 months after completion. These will, upon request, be kept confidential for one year by the Supervisor. (See WAC Rule 344-12-070)
- 4. The driller shall give notice to the Supervisor on Form No. 3 (NOTICE OF INTENTION TO ABANDON AND PLUG WELL) prior to initiating abandoning and plugging procedures. (See WAC 344-12-125 and 344-12-131)
- 5. Within 15 days after plugging the well, the driller shall file Form No. 4 (REPORT ON RESULTS OF PLUGGING WELL) with the Supervisor giving the results of the plugging procedure. (See WAC 344-12-131)
- 6. Release of the bond requires approval by the Supervisor of the plugging of the well or wells and reclamation of the well site or sites. (See WAC 344-12-063)



# Oil and Gas Drilling Permit Application **APPLICATION TO:** DRILL REDRILL \_\_\_\_\_ DEEPEN STRAT HOLES Application to drill must be submitted to the Oil and Gas Supervisor and approval must be obtained before drilling begins. Submit this application in duplicate, accompanied by a completed State Environmental Policy Act (SEPA) checklist, performance bond and appropriate permit fee which shall be in cash, or check drawn upon or issued by a Washington State qualified depository payable to the Department of Natural Resources. DRILLING PERMIT FEE SCHEDULE Fees: \$ 250.00 To drill, re-drill, or deepen to 3500 ft. 3501-7000 ft. \$ 500.00 7001-12,000 ft. \$ 750.00 12,001 ft. plus \$1,000.00 3501-7000 ft. \$ 500.00 Each person who succeeds to the rights and obligations under this permit shall, within 10 days after the rights are acquired, notify the Supervisor in writing thereof. NAME OF COMPANY OR OPERATOR DESCRIPTION OF LEASE OR PROPERTY Name and address of fee owner: Number of acres: Well name and no.: Name and address of surface owner if other than mineral owner: Number of wells on lease: \_\_\_\_\_\_ Acres assigned to well: \_\_\_\_\_ LOCATION OF WELL Field or general vicinity: \_\_\_\_\_ County: \_\_\_\_\_ (Give section, township, and range, and give footage from section lines.) Nearest distance from proposed well to property or lease line: \_\_\_\_\_\_\_\_ft. Distance from proposed well to nearest completed or applied for well on same lease: ft. Proposed depth to be drilled: \_\_\_\_\_ ft. Elevation of surface: \_\_\_\_\_

# **LOCATION OF WELL (Continued)**

Draw sketch in space below and attach a map, by a licensed surveyor, of the well location. The sketch must show the location of the proposed well and show distances and direction from the well to:

| (1) the no                  | (1) the nearest section lines, both north (or south) and east (or west) |                       |                     |                    |                    |                         |
|-----------------------------|---|-----------------------|---------------------|--------------------|--------------------|-------------------------|
| (2) the ne                  | the nearest lease lines on all sides of this location                   |                       |                     |                    |                    |                         |
| (3) the ne                  | earest wells or   | n all sides of this l | ocation             |                    |                    |                         |
| Give names of               | adjoining lea   | se or property ow     | ners and designate  | property lines. In | dicate scale used. |                         |
| Section                     | , T   | ·                     | _ N., R             |                    | (E.) (W.)          |                         |
| If different fro addressed: | m the above r   | named company of      | r operator, give na | me to which corre  | espondence regard  | ing this well should be |
|                             |   |                       |                     |                    |                    |                         |
|                             |   |                       | NO                  | N.T.L.             |                    |                         |
|                             |   |                       | NOI                 | RTH                |                    |                         |
|                             |   |                       |                     |                    |                    |                         |
|                             |   |                       |                     |                    |                    |                         |
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|                             |   |                       |                     |                    |                    |                         |
|                             |   |                       |                     |                    |                    |                         |
| WEC                         | T   |                       |                     |                    |                    | FACT                    |
| WES                         | 1   |                       |                     |                    |                    | EAST                    |
|                             |   |                       |                     |                    |                    |                         |
|                             |   |                       |                     |                    |                    |                         |
|                             |   |                       |                     |                    |                    |                         |
|                             |   |                       |                     |                    |                    |                         |
|                             |   |                       |                     |                    |                    |                         |

SOUTH

# **AFFIDAVIT**

|   | I,                               |                      | , being fi           | rst duly sworn on oath, state that to the best of my |     |
|---|----------------------------------|----------------------|----------------------|--|-----|
| Title   | knowledge and belief the facts a | and matter contained | on this form are tru | e and correct.                                       |     |
| Notary Public  Notary Public  My commission expires:  | Name                             |                      |                      |  |     |
| Notary Public  My commission expires:   | Title                            |                      |                      |  |     |
| Notary Public  My commission expires:   | Subscribed and sworn to this     |                      | day of               |  |     |
| My commission expires:  |                                  |                      |                      |  |     |
| Address:  |                                  |                      | Notary Public        | c  |     |
| ACTION OF AGENCY  Approved:  Denied:  Washington Department of Natural Resources Division of Geology and Earth Resources  By  Name: | My commission expires:           |                      |                      | Cou  | nty |
| ACTION OF AGENCY  Approved:  Denied:  Washington Department of Natural Resources Division of Geology and Earth Resources  By  Name: | Address:                         |                      |                      |  |     |
| ACTION OF AGENCY  Approved:  Denied:  Washington Department of Natural Resources Division of Geology and Earth Resources  By  Name: |                                  |                      |                      |  |     |
| ACTION OF AGENCY  Approved:  Denied:  Washington Department of Natural Resources Division of Geology and Earth Resources  By  Name: |                                  |                      |                      |  |     |
| Approved:  Denied:  Washington Department of Natural Resources  Division of Geology and Earth Resources  By  Name:                  |                                  |                      |                      |  |     |
| Denied: Washington Department of Natural Resources Division of Geology and Earth Resources  By                                      |                                  | AC                   | CTION OF AGE         | ENCY   |     |
| Denied: Washington Department of Natural Resources Division of Geology and Earth Resources  By                                      | Approved:                        |                      |                      |  | _   |
| Washington Department of Natural Resources Division of Geology and Earth Resources  By  |                                  |                      |                      |  |     |
| Name:   |                                  |                      |                      | Washington Department of Natural Resour              |     |
| Name:   |                                  | Ву _                 |                      |  |     |
| Title:  |                                  |                      |                      |  |     |
|   |                                  |                      | Title:               |  |     |
| Permit No To be filled in by Supervisor. This number should always be used in correspondence relating to this well.                 |                                  | To be filled in by   | y Supervisor. This r | number should always be used in correspondence       |     |
| This permit issued under bond dated   | This permit issued under bond of | lated                |                      |  |     |
| By, Principal   | Ву                               |                      |                      | , Princip  | oal |



### WELL RECORD OR HISTORY

Mail to State Oil and Gas Supervisor, Department of Natural Resources, Division of Geology and Earth Resources, P O Box 47007, Olympia, WA., 98504-7007, not more than thirty (30) days after completion of well. Follow instructions Section 344-12-070 Washington Administrative Code. Indicate questionable data by following it with (?).

|                                      | Company or Operator           |                           | Lease          |         |      |
|--------------------------------------|-------------------------------|---------------------------|----------------|---------|------|
| Field or vicinity                    |                               | Well No                   | in             | of Sec  |      |
| T R                                  |                               | County. Well is           |                |         | feet |
| (north) (north (south) of the (south | ) line and                    | (east) feet (west) of the |                | Section |      |
| The lessor is                        |                               | , Address                 |                |         |      |
| The lessee is                        |                               | , Address                 |                |         |      |
| Drilling commenced                   | l on                          | Drilling was c            | completed on   |         |      |
| Name of drilling cor                 | ntractor                      | , Add                     | ress           |         |      |
| Elevation above sea                  | level at top of casing        |                           | feet. Total de | epth    | feet |
|                                      | OI                            | L AND GAS SANDS OR        | ZONES          |         |      |
| No. 1, from                          | to                            | No. 4, fro                | m              | to      |      |
| No. 2, from                          | to                            | No. 5, fro.               | m              | to      |      |
| No. 3, from                          | to                            | No. 6, fro                | m              | to      |      |
|                                      | IMPO                          | RTANT WATER SAND          | S              |         |      |
| Include data on rated                | of water inflow and elevation | on water rose in hole.    |                |         |      |
| No. 1                                | to                            | fee                       | et             |         |      |
| No. 2                                | to                            | fee                       | et             |         |      |
| No. 3                                | to                            | fee                       | et             |         |      |
| No. 4                                | to                            | fac                       | ×+             |         |      |

| <u>String</u>   | <u>Size</u> | <u>Wt./Ft.</u>                      | SING, LINER, AND  Name & Type     | TUBING REC<br>Amou<br>Ft. In | <u>nt</u> <u>De</u>   | pth Perfo             | rated To          |
|-----------------|-------------|-------------------------------------|-----------------------------------|------------------------------|-----------------------|-----------------------|-------------------|
| Size Of<br>Hole | String      | Where Cement Placed                 | CEMENT AND TES  No. Sacks  Cement | STING RECOR  Method          | D Pressure In Testing | Hardness<br>Of Cement | Kind Of<br>Cement |
|                 |             |                                     | PLUGS AND A                       | ADAPTERS                     |                       |                       |                   |
| Size            | Shell Used  | RECORD ( Explosive Or Chemical Used | OF SHOOTING OR  Quantity          | CHEMICAL T                   | Depth                 | Shot<br>ated          | Depth<br>Cleaned  |
|                 |             |                                     |                                   |                              |                       |                       |                   |
|                 |             |                                     |                                   |                              |                       |                       |                   |

## RECORD OF DRILL-STEM AND SPECIAL TESTS

If drill—stem or other special tests or deviation or electrical surveys were made, submit report on separate sheet and attach hereto.

|   | TOO               | OLS USED                    |                        |           |
|---|-------------------|-----------------------------|------------------------|-----------|
| Rotary tools were used from   | feet to           | feet, and from              | om                     | feet      |
| to feet.  |                   |                             |                        |           |
| Cable tools were used from  | feet to           | feet, and fro               | om                     | feet      |
| to feet.  |                   |                             |                        |           |
| Provide the volumes and general chemic  |                   | F DRILLING MUD              | sed                    |           |
| _   | -                 |                             |                        |           |
|   | PRO               | DUCTION                     |                        |           |
| Put to producing on   | The pr            | oduction of the first 24 ho | ours was               |           |
| Put to producing onbarrels of fluid of which% water; and%   | % was             | oi1;                        | _ % emulsion;          |           |
| % water; and % s  | sediment. Gravity | A.P.I.                      |                        |           |
| If gas well, cu. ft. per 24 hrs<br>Gallons condensate per 1,000 cu. ft. of  |                   |                             |                        |           |
| Gallons condensate per 1,000 cu. ft. of   | gas               | Rock pressure, lbs          | . per sq ın.           |           |
|   | EMPLOYI           | EES                         |                        |           |
|   | , Driller         |                             |                        | , Driller |
|   | , Driller         |                             |                        | , Driller |
| I HEREBY SWEAR OR AFFIRM THE RECORD OF THE WELL AND ALL RECORDS.  Subscribed and sworn to before me This day of  Notary Public  My commission expires | WORK DONE ON IT   | Place Name Position         | ETERMINED FROM A  Date | VAILABLE  |
|   |                   | Representing                | Company or Operato     | r         |
|   |                   | Address                     |                        |           |
|   |                   |                             |                        |           |

# WELL RECORD OR HISTORY (Cont.)

# FORMATION RECORD

| From | То | Thickness in feet | Formation |
|------|----|-------------------|-----------|
|      |    |                   |           |
|      |    |                   |           |
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| D 1.37     |  |
|------------|--|
| Permit No. |  |

Revision: 7/23/2003

## NOTICE OF INTENTION TO ABANDON AND PLUG WELL

File in duplicate with the Oil and Gas Supervisor, Department of Natural Resources, Division of Geology and Earth Resources, P O Box 47007, Olympia, Washington, 98504-7007. One copy will be returned with approval or denial.

| Field or vicinity:                     | County:  |
|--|--|
| Operator:                              | Address  |
| Lease:                                 | Well No:   |
| Location:                              |  |
| Kind of well:(oil, gas, or dry ho      | Dile) Total depth:   |
| Allowable (if assigned):               |  |
|  | (bbls.) Water:(bbls.)(M.C.F.)  |
|  | Producing from: to   |
| Date of commencing proposed operations | S:   |
|  |  |
|  |  |
| Correspondence should be sent to:      |  |
| Name:                                  | Title:   |
|  | sed plan of plugging. Include full details of length and depth of plugs, plans for ng casing, and any other information to assist the agency in the evaluation of this |
| Approved:                              | ACTION OF AGENCY   |
| Denied:                                |  |
|  | Washington State Department of Natural Resources<br>Division of Geology and Earth Resources  |
|  | By:  |
|  | Name:  |
|  | Title:   |



| Permit No.     |  |
|----------------|--|
| r cililit ino. |  |

### REPORT ON RESULTS ON PLUGGING WELL

This report must be filed with the State Oil and Gas Supervisor, Department of Natural Resources, Division of Geology and Earth Resources, P O Box 47007, Olympia, Washington, 98504-7007, within fifteen (15) days after plugging has been completed.

| l known as:                          |   |
|--------------------------------------|---|
| R                                    | County:   |
|                                      |   |
| npleted                              |   |
| the various plugs; and gravity of mu | cluding descriptions of the nature and records of any tests or measurements d—laden fluid used; pressures retained in |
|                                      |   |
|                                      |   |
| omplete and correc                   | et record of the well and all work done on  |
|                                      |   |
|                                      |   |
| Name:                                |   |
| Position:                            |   |
| Representing                         | <b>;</b> ;  |
|                                      | Company or Operator   |
| Address:                             |   |
|                                      |   |
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| v                                    | mpletedR  |